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PAGE 01 STATE 147877

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TO AMEMBASSY TOKYO IMMEDIATE

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FOR ASSISTANT SECRETARY ENDERS

THE FOLLOWING MESSAGE SENT TO USIA WASHDC INFO SECSTATE SAO PAULO DTG P 231925Z JUN 75 FM BRASILIA

USIAC

SAO PAULO FOR SECRETARY BUTZ PARTY

STATE PASS AGRICULTURE

E. O. 11652: N/A

SUBJECT: SECRETARY BUTZ PRESS CONFERENCE TRANSCRIPT

1. FOLLOWING IS TRANSCRIPT OF PRESS CONFERENCE WHICH AGRICULTURE SECRETARY BUTZ GAVE JUNE 21 IN BRASILIA, FOLLOWING DISCUSSIONS WITH BRAZILIAN AGRICULTURE MINISTER ALYSSON PAULINELLI AND AN AFTERNOON'S TRIP TO THE FARMING-RANCHING DISTRICT NEAR UBERABA, IN BRAZIL'S MINAS GERAIS STATE

BEGIN TEXT

2. IT HAS BEEN AN EXTREMELY PRODUCTIVE AND INTERESTING EXPERIENCE FOR US THESE TWO DAYS AND ESPECIALLY THIS AFTERNOON. I FIRST MET MINISTER PAULINELLI WHO WAS IN ROME AT THE WORLD FOOD CONFERENCE LAST NOVEMBER. WE HAD DISCUSSIONS AT THAT TIME ABOUT THE WORLD FOOD PROBLEM AND THE NEED TO INCREASE UNCLASSIFIED UNCLASSIFIED

PAGE 02 STATE 147877

FOOD PRODUCTION THROUGHOUT THE WORLD. YESTERDAY AND TODAY I HAVE BECOME MUCH BETTER ACQUAINTED WITH MINISTER PAULINELLI AND HAVE GROWN VERY FOND OF HIM. WE HAVE EXTENDED

TO HIM AN INVITATION TO VISIT US OFFICIALLY IN THE UNITED STATES AND TO SEE AMERICAN AGRICULTURE.

- 3. WE ARE DEEPLY IMPRESSED WITH THE COMMITMENT OF MINISTER PAULINELLI AND OF PRESIDENT GEISEL TO ADVANCE BRAZILIAN AGRICULTURE TO PUT RESOURCES INTO THE IMPROVEMENT OF BRAZILIAN AGRICULTURE AND TO IMPROVE RURAL LIFE THROUGHOUT BRAZIL. WE THINK THEY ARE MAKING TREMENDOUS PROGRESS.
- 4. WE HAVE DISCUSSED AREAS OF POSSIBLE TECHNICAL COOPERATION IN AGRICULTURE, AND WE HAVE AGREED THAT BRAZIL AND THE UNITED STATES MUST WORK HAND IN HAND TO EXTEND OPPORTUNITIES FOR TRADE IN AGRICULTURAL PRODUCTS AND TO LOWER TRADE BARRIERS FOR AGRICULTURAL PRODUCTS. THIS WILL BE ESPECIALLY TRUE AS WE PARTICIPATE IN THE FORTHCOMING MULTI-NATIONAL TRADE NEGOTIATIONS IN GENEVA.
- 5. WE ARE CONFIDENT THAT AS WE PURSUE THESE DISCUSSIONS AMBASSADOR CRIMMINS WILL PARTICIPATE ACTIVELY IN THEM AS WILL OTHER MEMBERS OF OUR EMBASSY STAFF IN BRASILIA:
- $6.\,\mathrm{I}\,\mathrm{AM}\,\mathrm{SURE}$ MINISTER PAULINELLI HAS SOME COMMENTS HE WOULD LIKE TO MAKE.
- 7. MINISTER PAULINELLI (IN TRANSLATION): I WOULD LIKE AT THIS TIME TO STATE HERE IN PUBLIC HOW PLEASED WE ARE BY THIS VISIT OF THE SECRETARY OF AGRICULTURE OF THE UNITED STATES. OUR GOOD FRIEND SECRETARY BUTZ.
- 8. THIS VISIT HAS PROVIDED US WITH THE OPPORTUNITY TO PURSUE THE TALKS WHICH HAD ALREADY BEEN BEGUN IN ROME. AT THAT TIME I WAS MUCH IMPRESSED BY THE VERY OBJECTIVE POSITION TAKEN BY SECRETARY BUTZ AT THAT MEETING.
- 9. AT THAT MEETING IN ROME, SECRETARY BUTZ MADE A SIGNI-FICANT STATEMENT WHICH IS QUITE CONSISTENT AND QUITE IN HARMONY WITH THE PRINCIPLES AND POSITIONS THAT WE ARE DEFENDING WITH REGARD TO BRAZILIAN AGRICULTURE; THAT IS, UNCLASSIFIED UNCLASSIFIED

PAGE 03 STATE 147877

THE NEED FOR A SUBSTANTIAL INCREASE IN FOOD PRODUCTION THROUGHOUT THE WORLD. HOWEVER, THE ONLY POLICY THAT CAN ACCOMPLISH SUCH AN EFFECTIVE INCREASE IS THAT OF ENSURING FAIR REMUNERATION TO THE PRODUCER.

- 10. AT THAT TIME WE ALSO DEFENDED THE PRINCIPLE OF FREE ACCESS TO MARKETS AS BEING A VERY SIGNIFICANT WAY TO PROVIDE STIMULUS AND AN INCENTIVE TO PRODUCTION.
- 11. DURING THIS VISIT IT BECAME POSSIBLE FOR ME TO ASCERTAIN THAT OUR THINKING WAS RUNNING ALONG IDENTICAL

LINES AND I AM VERY PLEASED TO SAY THAT OTHER COUNTRIES SHARE THE SAME PRINCIPLE.

12. I DO HOPE THAT DURING THE SHORT TRIP WE MADE TODAY SECRETARY BUTZ HAD THE OPPORTUNITY TO GAIN AS FULL AN INSIGHT AS POSSIBLE INTO WHAT OUR AGRICULTURAL PRODUCERS ARE LIKE.

13. IT IS INDEED REGRETTABLE THAT ON THE ONE HAND THE TIME AVAILABLE FOR SECRETARY BUTZ FOR HIS VISIT WAS FAR TOO SHORT AND OUR COUNTRY IS FAR TOO BIG TO ENABLE US TO SHOW HIM ALL OF OUR PRODUCTION REGIONS. STILL, I THINK THAT THE SAMPLE THAT HE COULD SEE TODAY WILL SHOW HIM THAT OUR PRODUCERS SHARE THE SAME PHILOSOPHY ADVOCATED BY OUR GOVERNMENT, AND I THINK THAT IS A VERY IMPORTANT FACT.

14. I HOPE SOON TO BE ABLE TO ACCEPT YOUR KIND INVITATION, MR. SECRETARY, AND HAVE THE OPPORTUNITY TO SEE THE UNITED STATES WHERE WE NOT ONLY WILL BE CONTINUING THE TALKS WE HAVE ALREADY STARTED HERE BUT PARTICULARLY WILL I BE HAPPY FOR THE OPPORTUNITY (FURTHER) TO ENJOY THIS VERY WONDERFUL FRIENDSHIP THAT WAS STARTED AND CONTINUED HERE. THANK YOU.

15. QUESTION: MR. SECRETARY, YOU SPOKE IN GENERAL TERMS ABOUT YOUR VISIT HERE. I WOULD LIKE TO KNOW WHAT WERE THE CONCRETE RESULTS OF YOUR UNDERSTANDINGS AND ANY AGREEMENTS ARRIVED AT WITH MINISTER PAULINELLI.

16. SECRETARY BUTZ: THERE HAS BEEN AN ATTITUDE IN MANY PARTS OF BOTH OF OUR COUNTRIES THAT BRAZIL AND THE UNITED STATES ARE UNCLASSIFIED UNCLASSIFIED

PAGE 04 STATE 147877

MORE COMPETITIVE IN AGRICULTURE THAN THEY ARE COMPLEMENTARY. WE DISCOVERED THIS NOT TO BE TRUE. THE AREAS OF COMMON INTEREST FAR EXCEED THE AREAS OF COMPETITION. BRAZIL PURCHASED 140 MILLION DOLLARS WORTH OF AGRICULTURAL PRODUCTS FROM THE UNITED STATES LASY YEAR, AND THE UNITED STATES PURCHASED 800 MILLION DOLLARS WORTH FROM BRAZIL. WE AGREED THAT BOTH OF US MUST WORK TO DEVELOP MARKETS AND TO DEVELOP FOOD CONSUMPTION AROUND THE WORLD SO THAT THERE WILL BE A GOOD MARKET FOR THE PRODUCE OF BOTH OF OUR NATIONS.

17. QUESTION: MR. SECRETARY, MR. PARKER OF AID ADVOCATED BEFORE THE UNITED STATES SENATE THE CREATION OF A WORLD RESERVE OF FOOD TO BE ADMINISTERED BY ONE PARTICULAR COUNTRY. I WOULD LIKE TO KNOW WHETHER YOUR VISIT TO BRAZIL HAS ANY BEARING OR HAS ANY CONNECTION WITH THE IMPLEMENTATION OF SUCH A POLICY OR PLAN?

18. ANSWER: THAT IS ONE OF SEVERAL WORLD FOOD RESERVE PLANS

THAT HAVE BEEN ADVANCED. THIS AFTERNOON ON THE AIRPLANE COMING BACK FROM UBERABA WE DISCUSSED AT SOME LENGTH OUR POSITIONS RELATIVE TO THE WORLD FOOD RESERVE. WE AGREED THAT THERE IS NEED FOR A WORLD FOOD RESERVE. WE AGREE THAT THERE IS NEED FOR A CENTRAL AGENCY TO ESTABLISH GUIDELINES FOR THE VARIOUS NATIONS RELATIVES TO THEIR OWN PART IN THE WORLD FOOD RESERVE. WE BOTH AGREED, I THINK, AND MINISTER PAULINELLI MAY WISH TO SPEAK ON THIS HIMSELF, THAT NO MAJOR NATION SHOULD SURRENDER SOVEREIGNTY OVER ITS OWN GRAIN SUPPLIES BUT SHOULD HAVE THEM SOME WAY SO THAT THEY COULD BE FED INTO THE NEED FOR TRANSPORT FOR RESERVES IN CASE OF DISTRESS, IN CASE OF HUNGER. BASICALLY, WHAT WE TALKED ABOUT WAS THE BRAZILIAN POSITION AS IT WAS PRESENTED IN ROME, IN WHICH BRAZIL HAS ALWAYS FELT THAT THERE IS A NEED FOR A WORLD FOOD RESERVE, THAT BRAZIL WOULD LIKE FOR THESE RESERVES TO BE LOCATED WITHIN EACH COUNTRY. BRAZIL ALSO STATED ITS WILLINGNESS TO PARITICIPATE IN SUCH PLANS AND EVEN SUGGESTED A FORMULA TO HANDLE SUCH REGULATION OF STOCKS. SO TODAY WE TALKED AGAIN ABOUT THE BRAZILIAN POSITION.

19. QUESTION: MR. SECRETARY, I WOULD LIKE TO KNOW WHY THERE UNCLASSIFIED UNCLASSIFIED

PAGE 05 STATE 147877

WERE SOME PUBLIC STATEMENTS BY U.S. GOVERNMENT OFFICIALS REGARDING THE FACT THAT IN THE MARKETING OF THE BRAZILIAN SOYBEANS THERE IS A THREAT TO THE UNITED STATES WHEN WE CONSIDER THAT THE U.S. PRODUCTION OF SOYBEANS IS FOUR TIMES THAT OF BRAZIL. ALSO, IN CONNECTION WITH THIS, WE UNDERSTAND THAT THERE HAVE BEEN OR THAT THERE WILL BE SOME DISCUSSIONS ABOUT THE SUGAR IMPORT POLICY. WILL THERE BE ANY POSSIBILITY THAT THE QUOTA SYSTEM CAN RETURN AND IF THIS SYSTEM WERE TO RETURN COULD THAT BE USED AS A BARGAINING INSTRUMENT LINKED TO THE BRAZILIAN SOYBEAN QUESTION?

20. ANSWER: WITH RESPECT TO THE FIRST QUESTION, I AM NOT AWARE THAT ANY UNITED STATES GOVERNMENT OFFICIAL MADE SUCH A STATEMENT. IT MAY WELL BE THAT SOME OF OUR SOYBEAN PRODUCERS MADE SUCH A STATEMENT. WE HAVE DISCUSSED THIS VERY FRANKLY THESE TWO DAYS AND HAVE CONCLUDED THAT WE MUST BOTH WORK TO INCREASE THE FEEDING OF LIVESTOCK AND POULTRY AND DAIRY AROUND THE WORLD, AND THE MARKET FOR SOYBEANS PRODUCED IN BOTH OF OUR COUNTRIES WILL GROW. IN THIS RESPECT WE HAVE A COMMON INTEREST.

21. WITH RESPECT TO SUGAR, WE DO NOT NOW HAVE COUNTRY QUOTAS ON SUGAR. BRAZIL HAS BEEN ONE OF THE IMPORTANT SOUCES OF AMERICAN SUGAR. WE CONTEMPLATE THAT OUR SUGAR MARKET WILL REMAIN OPEN AND FREE AND WE HOPE THAT BRAZIL WILL CONTINUE TO BE A DEPENDABLE SUPPLIER OF SUGAR TO THE

UNITED STATES. IN ANY EVENT, THERE IS NO WAY THAT WE
WOULD TIE THE SUGAR QUOTA TO THE SOYBEAN MARKET.
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